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revealed that out of 900,000 members of the Party's factory organisation only 65,000 were listed as Stakhanovites. Their unpopularity becomes manifest from a perusal of *Rude Pravo*, the Communist Party daily, which finds it necessary constantly to repeat that Stakhanovites should be placed in more responsible positions and that they should be protected against attacks made on them by 'politically immature' workers. 'There are officials and directors who, being snugly ensconced in their jobs or afraid for their popularity among politically undeveloped elements, fail to defend Stakhanovites as they ought to'. In letters from Stakhanovites published in the press, a frequent complaint is the hostile attitude of the workers towards them. When a reporter of *Lidové Noviny* went to interview Marie Zemancová, a young Stakhanovite in the Prague radio factory 'Tesla' who had been included in the Czech delegation to the Paris 'Peace Congress' as a reward for her work, it turned out that she was completely unknown in her factory. 'This proves', comments the paper, 'that we have been unable to popularise our Stakhanovites and pioneer workers'. (Quoted by *News from Czechoslovakia*, No. 6, April, 1949, published by the Czechoslovak Social Democratic Party in Exile, London). In view of these facts, it is no wonder that at the 9th Congress of the Communist Party open war was declared on people 'who run down the work of Stakhanovites and who even try to put a spoke in their wheel'.

In Poland the piece-work system reached a stage at which the basic wage almost entirely disappeared. As Clarion describes it: 'It should be emphasized incidentally, that with regard to salaries the whole system rests upon the maintenance of basic salaries at an abnormally low level and upon a huge inequality in the bonuses both of money and in kind. The periodical *Études et Conjoncture* in this regard pointed out, in a study of the economic situation in Poland, published in November, 1946, that 'on the average for the whole of industry in May, 1946, the total benefits granted (to the workers) in Poland represented from 6.8 to 14.6 times the basic salary, which thus became a mere supplementary item instead of being the main element of the total remuneration'. (op. cit. pp. 106-7).

The hatred felt by the Polish workers for these extreme forms of piece-work was displayed openly in the spring of 1946 and

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people. This double vision sees the molehill as a mountain, and the mountain as a molehill! 471

All the experience of history in this connection points to the inescapable conclusion that if a group of people are in absolute control and ownership of the means of production they will inevitably take for themselves all the benefits they possibly can out of production.

The division of the national income among different income groups is kept strictly secret in the 'People's Democracies', although if the British Government did not publish such statistics the Communist Party would certainly, and justifiably, criticize it for keeping the truth from the people. Nevertheless from fragments of news in the press it is possible to get some idea of the great differentiation of incomes. 465 ●

The official *Free Bulgaria* of 15th March, 1947, states that in Bulgaria the ratio between minimum and maximum salaries in Government employment is 1:5. 'New Yugoslavia, which had adopted a ratio of 1:3.2, is gradually introducing a greater differentiation. France has a ratio of 1:6, the United States—1:10, U.S.S.R.—1:11'. The U.S.S.R. leads all the rest, and is praised for it by the Bulgarian Communists!

Departmental chiefs in Bulgaria got 17,000 leva a year, counsellor-reporters 19,500, counsellor-specialists 21,000 and general secretaries 25,000. This was increased in many cases by a 'supplementary salary' of 13,200-22,800 a year, which raised their salaries to 30,000-47,000 leva a year. As against this the average worker's wage was 357.7 leva a month or 4,292.4 leva a year (*Free Bulgaria*, October 1st, 1947) and many unskilled workers earned 150-200 leva a month, or 1,800-2,400 leva a year (*Free Bulgaria*, April 1st, 1948), i.e., twenty times less than the *parvenu* rulers. There is, of course, no record of the value of the benefits the high bureaucrats get not in money but in kind, such as houses, cars and servants.

In Rumania the minimum salary of a civil servant is Lei 3,328 a month, the maximum Lei 42,600 (*Rumanian News*, 6th February, 1949). Many workers earn as little as Lei 2,000-2,500 a month.

Some information about income differentiation in Poland can be gained indirectly from the table giving the rate of income tax payable by people falling within the different 465 651

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465 income groups. This gives an insight into the difference
651 between maximum and minimum incomes, but does not reveal the number of people falling within each group. Incomes of persons or enterprises up to 72,000 zlotys are tax-free (there are many who earn even less than 36,000 zlotys). The rate of tax goes on :

72,000—	80,000 zlotys—	2	per cent income tax	
100,000—	110,000	„ — 3·5	„	„
150,000—	170,000	„ — 7	„	„
190,000—	210,000	„ — 9	„	„
250,000—	300,000	„ —13	„	„
500,000—	600,000	„ —23	„	„
1,000,000—	1,200,000	„ —33	„	„
1,400,000—	1,600,000	„ —37	„	„
2,400,000—	3,000,000	„ —43	„	„
3,600,000—	4,200,000	„ —47	„	„
over 4,200,000		„ —50	„	„

(H. W. Robinson, Chief, Division of Operational Analysis, U.N.R.R.A. European Regional Office, London, *Finance in Poland*, p. 21).

To paraphrase Orwell: all men are equal, but some men are more equal than others!*

465 In Czechoslovakia, as has already been mentioned, it was
511 not uncommon (in 1948) to find factory managers earning 40
565 thousand crowns a month, while two-thirds of the workers in 1948 got less than 2,900 crowns a month gross (i.e. before payment of taxes, dues, etc.). In addition, those earning 40,000 crowns were given the free use of a villa, a car with a chauffeur and other perquisites.

Beneš's bourgeois liberal paper, *Svobodné Slovo*, stated, not unjustifiably, that the bureaucracy were 'living in the style of millionaires . . . enjoy every comfort and luxury, thanks to the villas and limousines which they have been allocated by the authorities and to their high incomes'. These people, the paper continued, are 'propertyless—in form only . . . ' (6th September, 1947). The standard of living of the masses, on the other hand, is very low, as even the official statisticians have to admit. As early as June, 1946, the monthly average wage of an industrial worker was 2,540 while the *food ration alone* of a family of three cost 2,721 crowns. And many earned less than the average of 2,540 crowns! Since June, 1946, the condition of the masses has deteriorated. The correspondent of *Associated Press* in Prague, did not exaggerate when he said on 15 July,

*In Russia the scale of income-tax starts with taxes on less than 1,800 roubles a year and ends with taxes on more than 300,000 roubles. (*Izvestia*, 6th April, 1940).

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1948: 'Czechoslovakia today can fairly claim to be the hungriest country in Europe—hungrier than even Austria'. The Viennese Socialist paper *Arbeiter Zeitung* wrote on 23rd June, 1948: 'Travellers who often come from Prague to Vienna report that in the last few weeks, for the first time, they have not taken goods from Prague to Vienna, but on their return from Vienna to Prague'. The paper adds particulars of prices on the black market in Prague. It is possible to cite innumerable facts to the same effect.

There can be no doubt about who suffered from the shortages, which were the result partly, but only partly, of the drought of the winter of 1947-8. The drought fails to explain either the acute shortage of textiles, shoes (in the country of Bata!) and other consumer goods, or the duration of the shortages.

It is clear from official data that the portion of the social product going to the workers is decreasing. In January, 1946, the total product of Czechoslovakian industry was sold for 9.09 milliard crowns; wages and salaries in industry itself came to 2.83 milliard crowns, i.e. 31.6 per cent of the turnover. A year later, in January, 1947, the total sales amounted to 15.66 milliard crowns; wages and salaries came to 4.03 milliard or 25.7 per cent of the turnover. This decline in the portion of wages and salaries was accompanied by an increase in the turnover per hour of work from 50 crowns to 78 crowns, a rise of 56 per cent (*Statistical Bulletin of Czechoslovakia*, published by the State Statistical Office, Prague, July, 1947). If the statistics had included only wages and not salaries as well, the decline would have been even bigger.

The journal *Účetnictví a Kontrola*, issued by the trade union publishing house, Práce, submitted the state budget to a detailed analysis in order to get an approximate estimate of the cost of the bureaucracy. This reveals that the travelling expenses of the administration proper—that is, the ministries, not including the administration of the nationalised industries—amounted to not less than 780 million crowns, the maintenance of automobiles to 180 million. How large these amounts are is clear from the fact that the expenditure on travelling of these bureaucrats would cover the difference between the meagre wages of about 300,000 families and a minimum living

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standard. In summing up, the article states: 'The public administration swallows 48 per cent of the national income. How will it be possible to raise the standard of living of the whole people, how will the wide layers of the toilers be satisfied, how will it be possible to pay proper salaries to government clerks?' (From an article, 'Let us think about the Figures', quoted by V. Salus in the theoretical paper of the Czech Social Democracy, *Cil*, August 15th, 1947, under the interesting heading, 'Economic Democracy and the New Nobility').*

The division of the national income in Yugoslavia is not less unequal than in the other 'People's Democracies.' Vernon Bartlett, when in Belgrade, described the situation in the

*For a time the Communist Party leaders tried to cushion the conflict between the workers and the 'new nobility' by directing the hostility of the masses exclusively against the bourgeoisie. For example in October, 1947, in connection with the relief to the peasants who were suffering from the drought, the Communist Party raised the slogan 'Let the millionaires pay', and proposed as a solution the imposition of a property levy. Of course the bureaucracy, being 'propertyless—in form' would not have to pay anything. The Communist Party tried to overlook the fact that the portion of the national income of Czechoslovakia in the hands of the bourgeoisie was so small, only a quarter of industry being left in their hands, that the only possibility of seriously improving the conditions of the masses was by 1. cutting into the income of the bureaucracy; 2. raising the general national income; 3. preventing Russia from taking her cut from the national income.

The Communist Party claimed that there were 35,000 millionaires in Czechoslovakia. This is a large number, but it is much less impressive when it is realised that they were not pound sterling or dollar millionaires, but crown millionaires. A million crowns in July, 1947, was equal to five thousand pounds sterling. Even according to the Communist Party estimate the wealth of these 35,000 'millionaires' was only 50 milliard (According to the bourgeois paper *Svobodné Slovo* there were only 12,000 millionaires with a property of 22 milliard crowns). 50 milliard crowns is only about a quarter of the *annual national income* of Czechoslovakia.

The conditions of the masses could not therefore be substantially improved at the expense of the bourgeoisie, but only by improvements in the nationalised sectors of the economy and at the expense of the bureaucracy. This is proved by the distribution of the national income:

Personal Income at Factor Cost (thousand million of crowns.)	1947
1. Entrepreneural profits in industry, trade and professions and private income from capital	22.0
2. Rentals and sub-rentals (including net rental value of owner-occupied dewllings	5.2
3. Independent agriculturists	25.4
4. Wages and salaries	125.9
5. Pensions of Government employees	5.7
6. Unfreezing of blocked accounts to people of limited means	6.3

In addition there were a number of other small items.

(Statistical Office of the United Nations, *National Income Statistics of Various Countries, 1938-1948*, Lake Success, New York, 1950, p. 59).

The figures speak for themselves. The possibility of increasing item 4 at the expense of item 1 is very limited indeed.

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small man. Reductions in prices for the higher-paid instead of for those with smaller means . . .' (*Neue Zürcher Zeitung*, 30th August, 1950)*

One aspect of the problem of the mode of distribution of the social product is this: to what extent is the differentiation between different income groups concomitant with national differences? How much of the cream of the milk produced in the satellites is in the form of higher personal incomes for Soviet officials? These facts are unfortunately covered by a veil of secrecy. Some facts, however, have emerged. A letter of the Central Committee of the Communist Party of Yugoslavia to the Central Committee of the Communist Party of the Soviet Union (dated 13th April, 1948) stated: 'The wages of the Soviet experts (working as advisers in Yugoslavia—Y.G.) were four times as high as the wages of the commanders of our armies and three times as high as the wages of our Federal Ministers. The commander of one of our armies, a lieutenant-general or a colonel-general, then had 9,000 to 11,000 dinars a month, and a Soviet military expert, lieutenant-colonel, colonel and general had from 30,000 to 40,000 dinars. At the same time our Federal Ministers had a salary of 12,000 dinars a month.' The reply of the Central Committee of the Communist Party of the Soviet Union (dated 4th May, 1948) did not deny the correctness of these figures, but claimed as an extenuating circumstance the fact that the Yugoslav generals also got 'apartments, servants, food, etc.'

The paper *Glas*, the organ of the People's Front of Serbia, in its issue of 16th December, 1949, gave another example of the same thing. Near Sofia an automobile factory employing Russian, Czech and Bulgarian specialists was being built. The salary of the Russian specialists was 2,000 levas an hour, of the Czechs 2,000-3,000 levas a day, and of the Bulgarian 250-300 levas a day. These differences were certainly not due mainly to differences in skill.

*Since then a big change has taken place. On 14th October, 1950, Marshal Tito signed a decree abolishing special privileges in the supply and distribution of rations and consumer goods, doing away with the special shops of the upper bureaucracy, and transferring all villas and rest homes hitherto reserved for the privileged to the tourist industry. Whether this is a temporary measure resulting from the terrible drought and famine of the 1950-51 winter, it is too early to say.